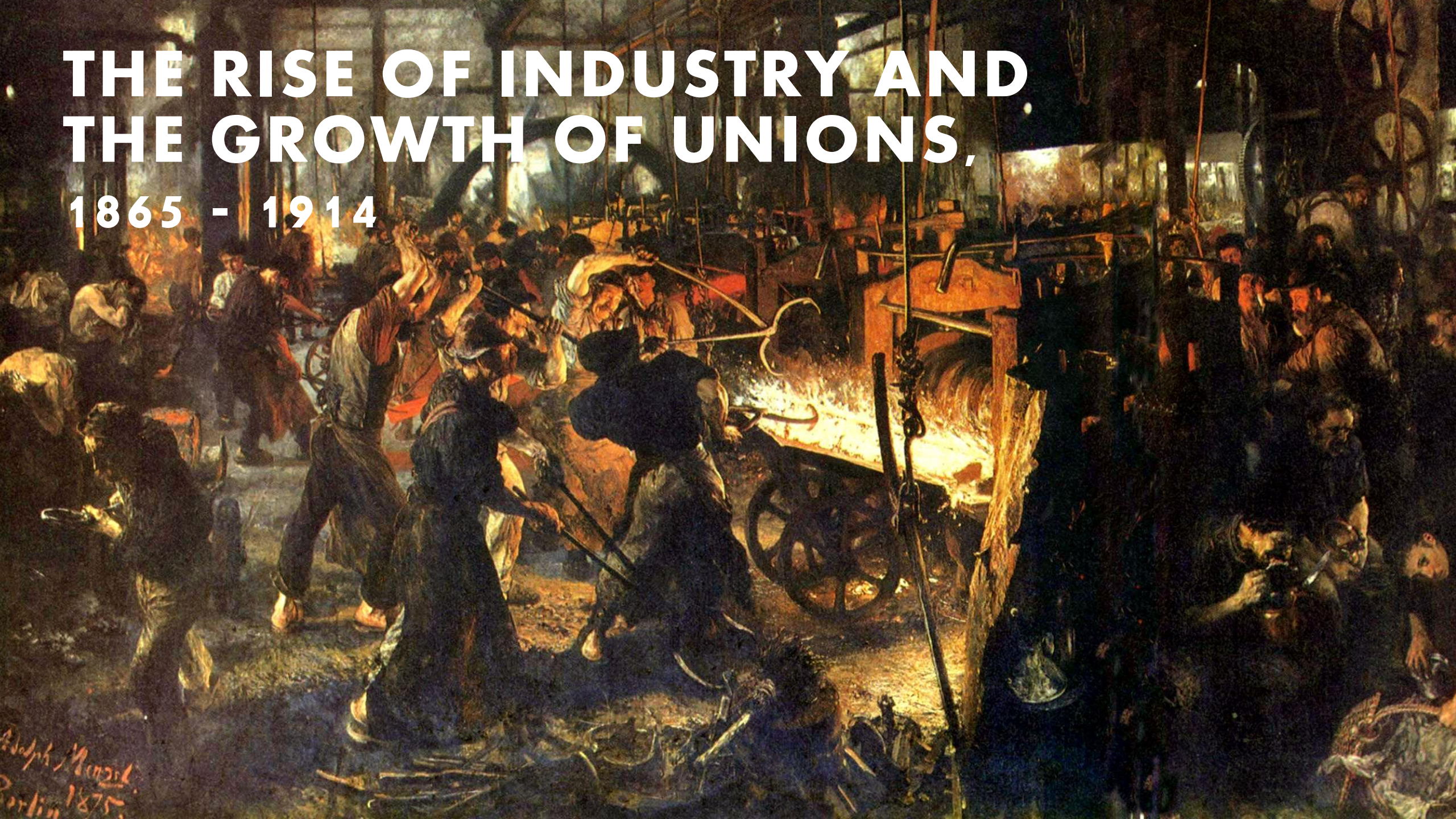


THE RISE OF INDUSTRY AND THE GROWTH OF UNIONS, 1865 - 1914

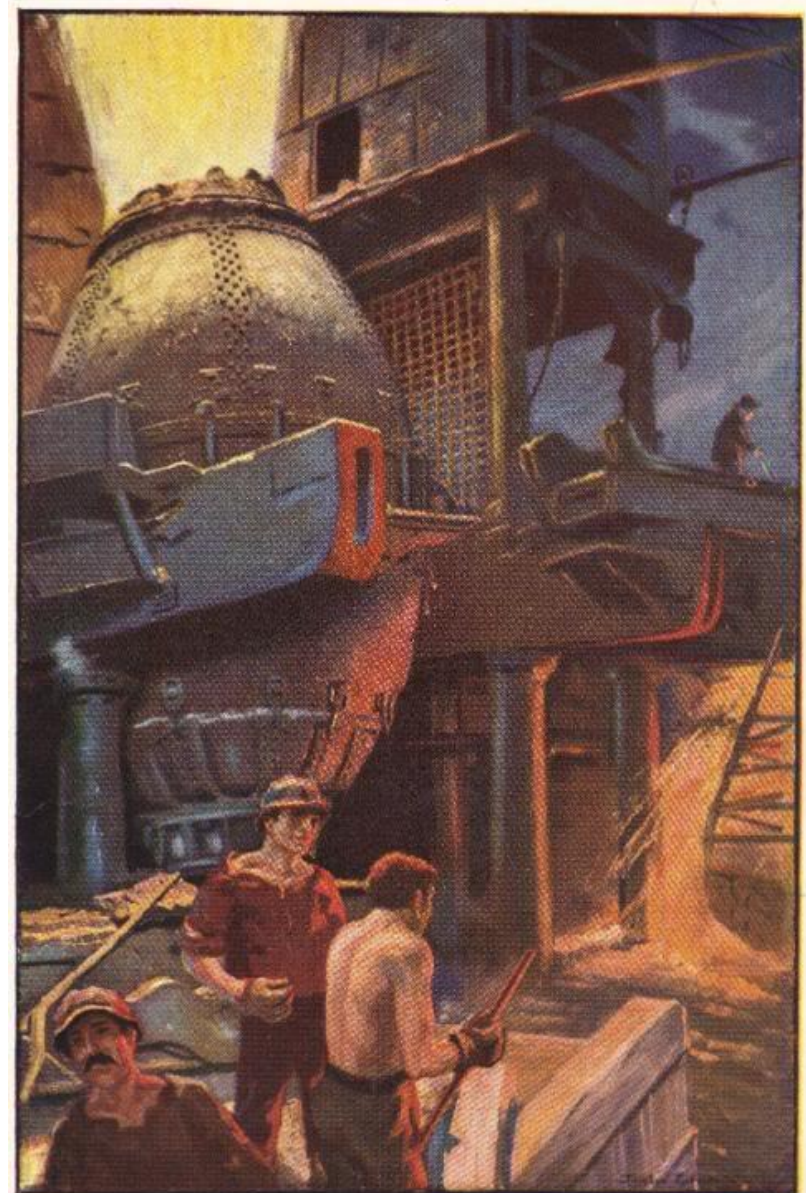


Adolph Menzel
Berlin 1875

HENRY BESSEMER AND THE “BESSEMER PROCESS”

This Englishman invented a way to purify iron ore by burning away impurities in a blast furnace. The product being made was steel, which was much, much stronger than iron, a brittle element.

Steel, was created using blast furnaces, and the resulting product was used to make everything from railroad tracks to bridges to the steel I-beams of skyscrapers.



BESSEMER CONVERTER IN A STEEL MILL

GEORGE WESTINGHOUSE

This inventor was responsible for the railway air brake, the electric generator, and systems for distributing electricity by using alternating current. He triumphed over Thomas Alva Edison in this regard; Edison had sought to use direct current to distribute energy along the grid.

Westinghouse also founded his own electrical appliance company – selling everything that could be plugged into a wall.



You can be sure...if it's
Westinghouse

All radio-phonographs may look pretty much alike to you ... but there can be a big difference in the listening. You will get far more enjoyment out of a set that's built up to a standard than you will from one that's built down to a price. And you don't have to be an expert to tell the difference. You can be *sure* if it's Westinghouse.



Westinghouse radios and radio-phonographs are available in a wide variety of models. The one shown here is the 186, which has exclusive Automix record changer, Electronic Feather reproducer, and Rainbow Tone FM. The bow-front cabinet is a Westinghouse classic. Home Radio Division, Westinghouse Electric Corporation, Sunbury, Pa.

Listen...and you'll buy **Westinghouse**
Listen to Ted Malone every morning Monday through Friday ABC Network

THOMAS ALVA EDISON - INVENTOR

He invented the electric light bulb, the motion picture machine, the phonograph, and the battery cell just to name a few. He owned thousands of patents before he died, and established several companies which allowed him to make vast sums of money from his inventions. Thomas Edison was known as “The Wizard of Menlo Park” for all of his world changing inventions.



ALEXANDER GRAHAM BELL



He was the inventor of the telephone, and he combined it with another communication service – the telegraph – in order to establish his company.

The name of the company is one you are still familiar with today: The American Telephone and Telegraph Company, or AT&T.

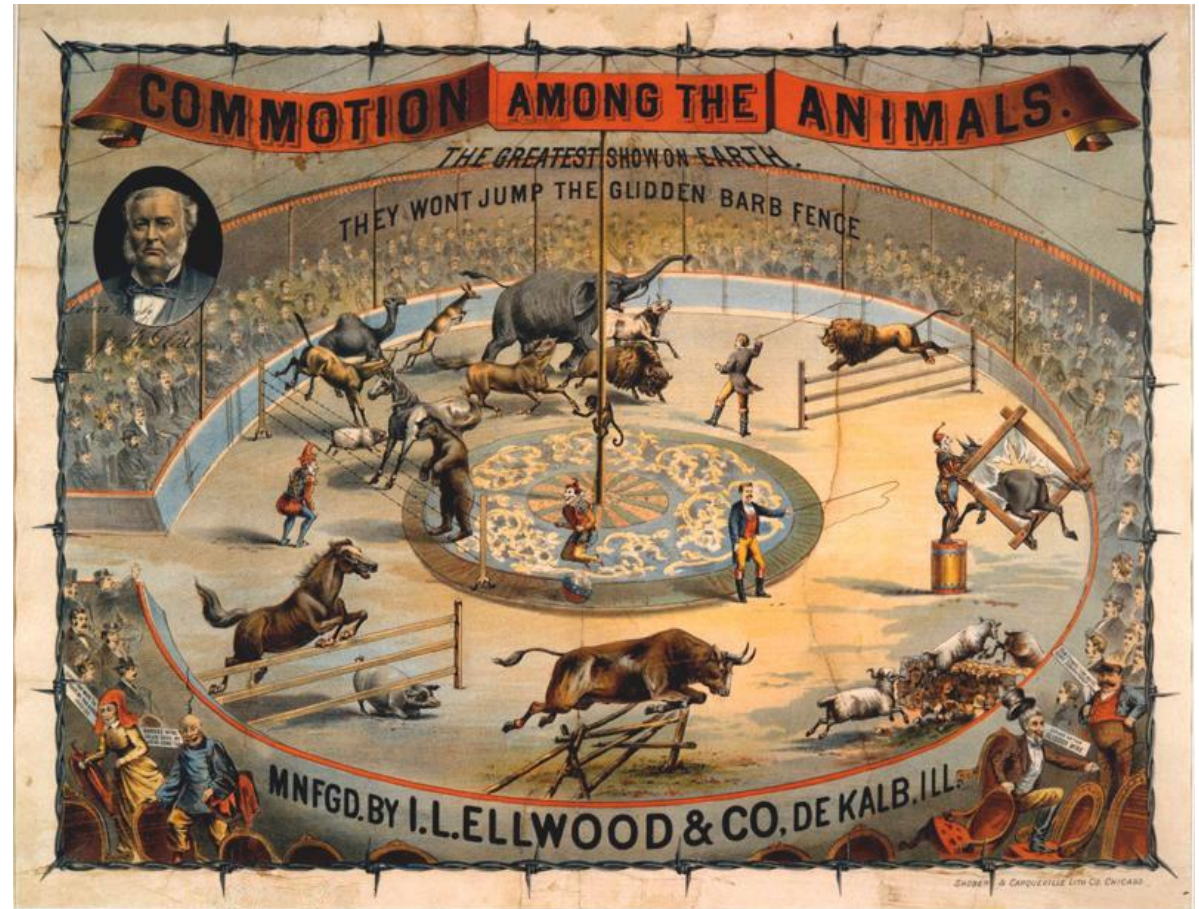


JOSEPH GLIDDEN — BARBED WIRE FENCING

This man was the inventor of barbed wire fencing, which ended the “Cattle Kingdom” in Texas.

On the Great Plains, where trees and wood simply were not abundant, wire fencing was a very effective way to keep your livestock contained.

If you were a farmer, it was also a good way to protect your crops from a renegade herd of steer being driven to market. Before long, it was impossible to engineer “long drives” of cattle from Texas to the railroads, simply because there were too many farms in the way.

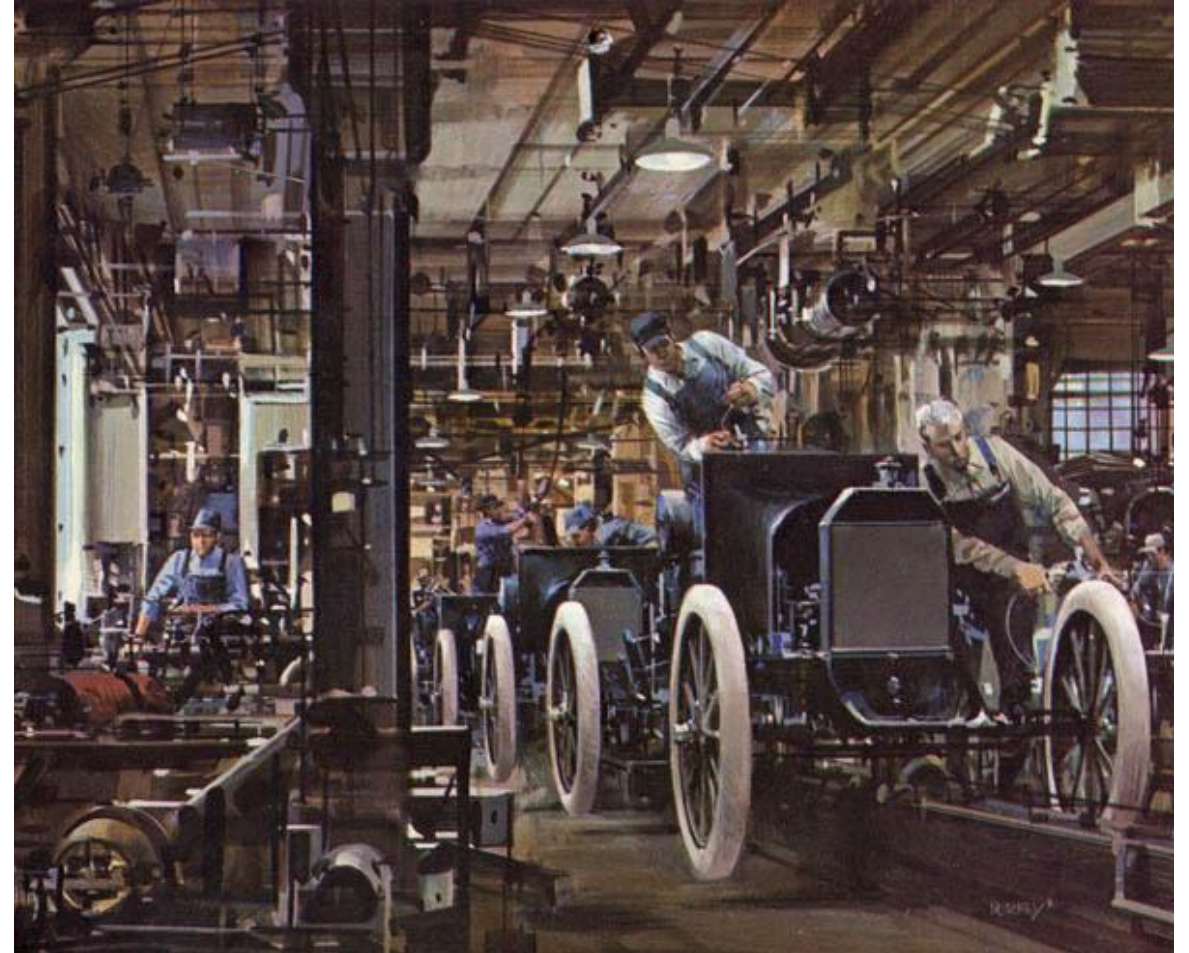


HENRY FORD AND THE MODEL-T

Although this man did not invent the automobile, he was the first American inventor to mass produce the so-called “horseless carriage.” He helped to invent the internal combustion engine in his Model-T.

Ford’s most important contribution came in the form of his system for producing automobiles: the assembly line. He used the same principles as a slaughterhouse, but put them in reverse.

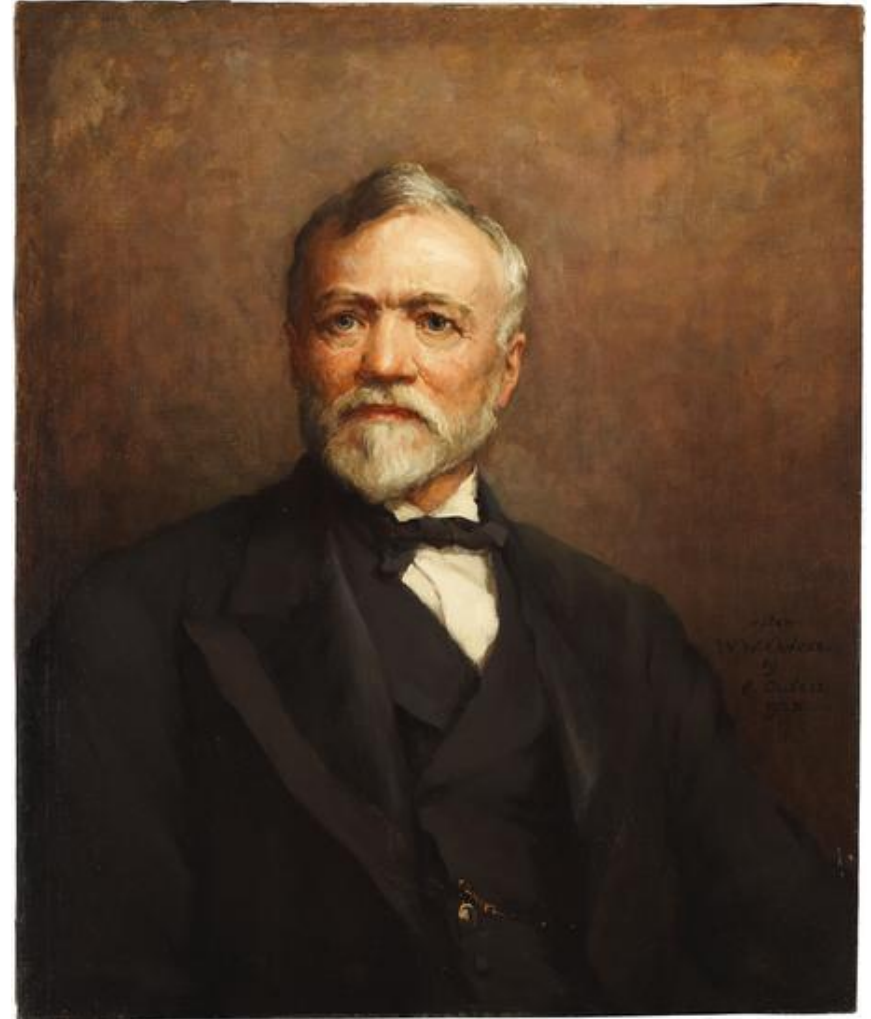
Famously, Henry Ford claimed that the Model-T came in “any color you like, as long as it’s black.”



ANDREW CARNEGIE AND US STEEL

This man began his entrepreneurship by organizing the railroads which served the Union Army during the Civil War. Soon, however, he discovered that there was more money in the production of steel. He used “vertical integration” to control every aspect of the production of steel – and make more money for himself!

Later in his life, Andrew Carnegie advocated for what he called the Gospel of Wealth. He claimed that a man who died as wealthy as he was must die ashamed, and spent the remainder of his life giving away his fortune for charitable reasons. He built schools and libraries, and he donated money to institutions which were designed to promote peace on Earth, most notably the Carnegie Endowment for Peace. He also built the World Court, and an international center for justice to prevent future wars.



JOHN D. ROCKEFELLER: OIL

He was the owner of the Standard Oil Trust, and controlled over 80% of the oil market in the United States by the end of the 19th Century.

Interestingly, John Rockefeller started off producing kerosene, or lamp oil in the 19th Century. Most people lit up their homes with oil lamps in that period, and his kerosene was known for the consistent quality standards he demanded. His oil was the safest lamp oil to burn. But when Edison invented the light bulb, he saw his company's future in serious doubt. Fortunately, around this time, Henry Ford began mass producing automobiles...

In the 20th Century, his company produced mostly automobile oil and oil for furnaces.

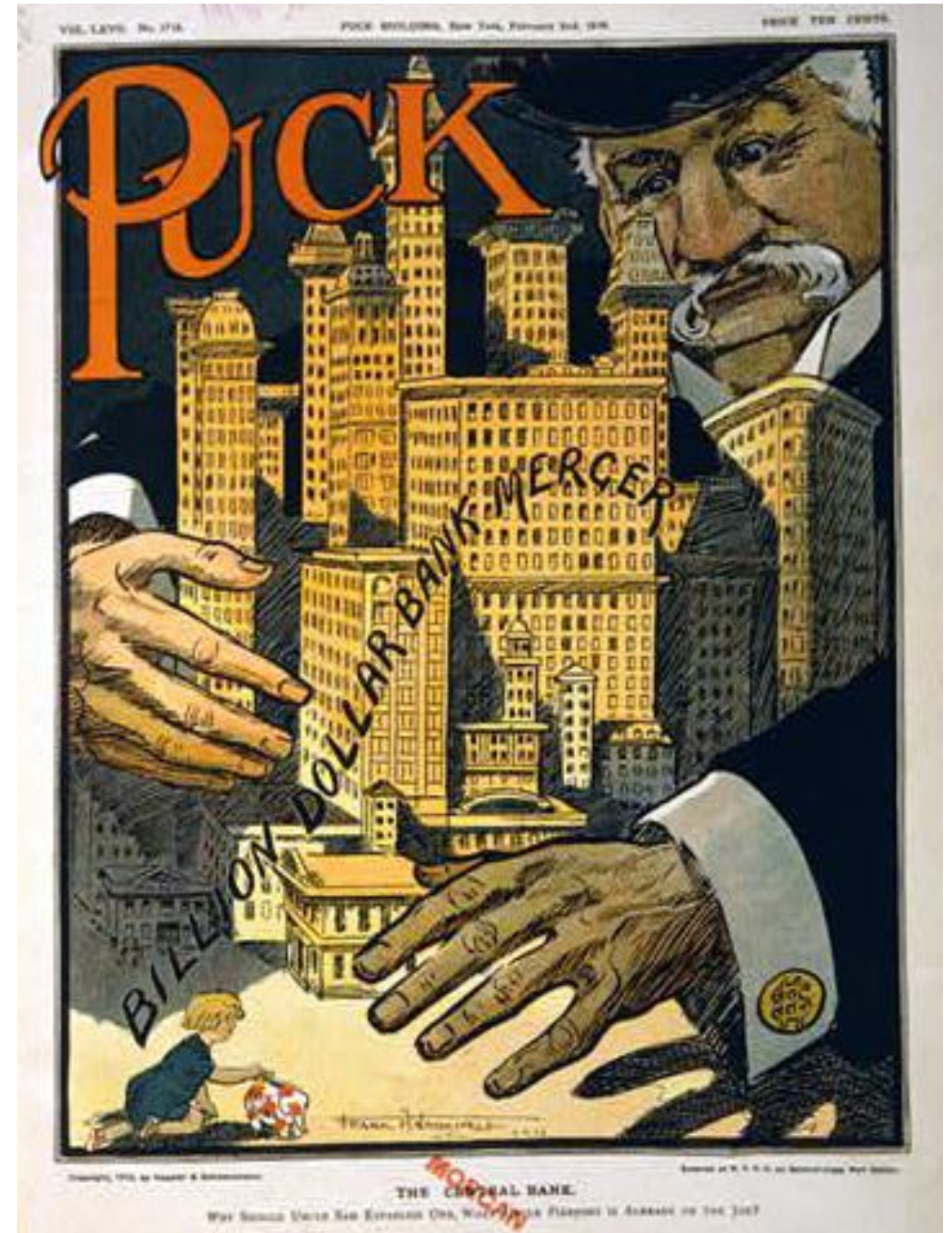


JOHN PIERPONT MORGAN

He was the nation's most important investment banker during the late 1800s and early 1900s. He arranged mergers or financed the growth of major corporations, and many considered him the most powerful man on Wall Street.

Morgan owned a majority share in several companies, and made fortunes again and again during his life time. At one point, he personally provided the bailout money to save Wall Street.

Perhaps his most famous acquisition was the United States Steel Corporation, which he purchased for approximately \$400 Million from Andrew Carnegie – back when \$400 Million was a lot of money.

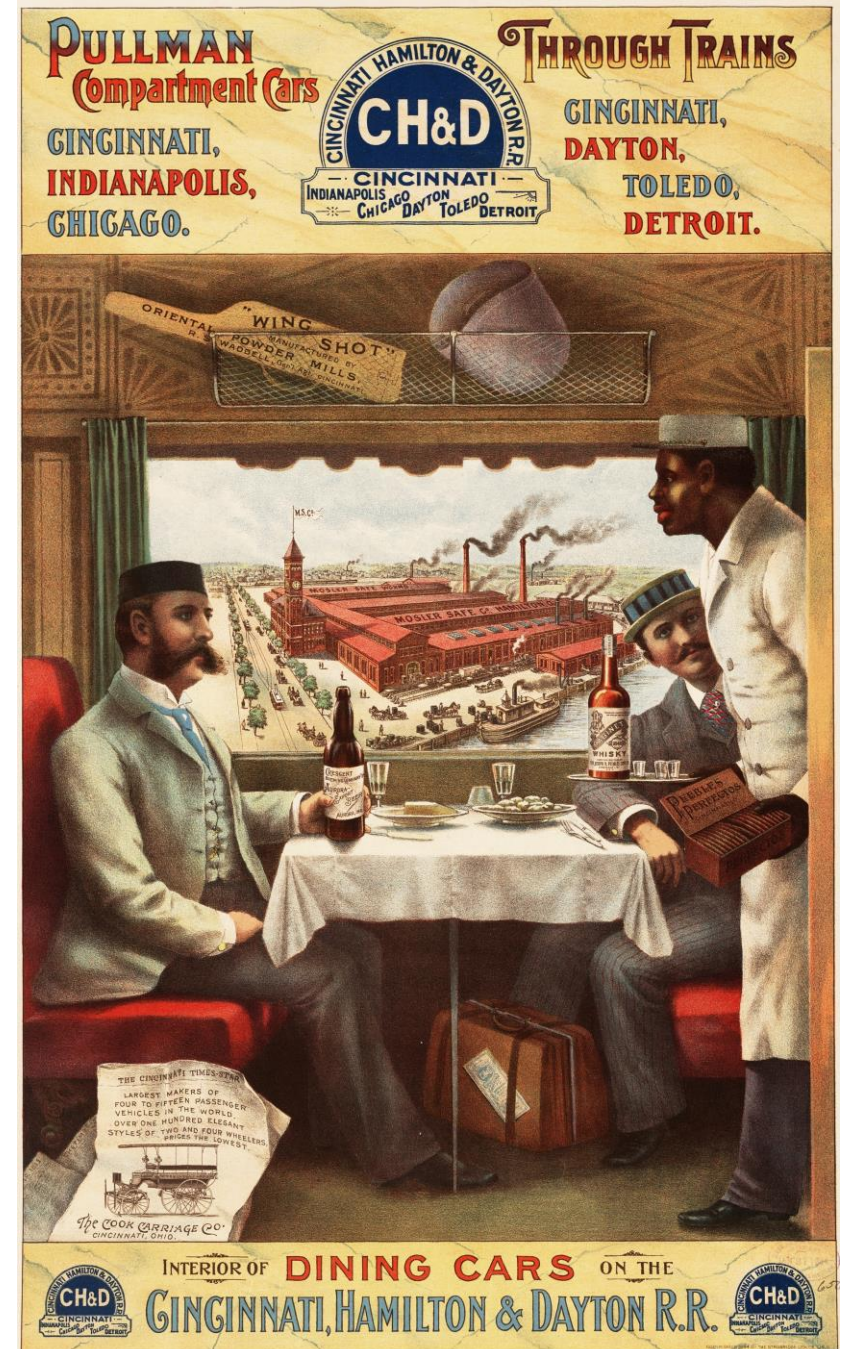


GEORGE PULLMAN'S PALACE CARS

He created a company which produced luxury railroad carts for wealthy passengers. He was also the founder of a “company town” where his employees lived – paying him rent, buying products from his stores, and receiving their pay in his unique script.

In many ways, George Pullman was attempting to create a utopian society for workers. He named the company town – in a fit of modesty – Pullman, IL. Unfortunately, he was not very well attuned to the needs of his workers.

During the Panic of 1893, Pullman's insistence that the workers must accept a pay cut while his profits remained the same caused a strike. Eugene V. Debs would insure that the small company strike went national in 1894...



CORNELIUS VANDERBILT — RAILROAD BARON

This man consolidated and controlled all of the railroads in New York — and many others east of the Mississippi River. He made a fortune in shipping goods across the United States and by offering luxury passenger accommodations.

Vanderbilt was wealthy and unpopular in the United States towards the end of his life. He moved to Canada and attempted to restore his reputation by building Vanderbilt University in Nashville, TN.



LELAND STANFORD AND THE “GOLDEN SPIKE”

He played an important role in establishing the Central Pacific Railroad during the 1860s, and drove in the final spike – “The Golden Spike” of the Transcontinental Railroad in May of 1869.

The “Golden Spike” was drive in to complete the Transcontinental Railroad at Promontory Point, Utah.



EUGENE V. DEBS, THE UNION, AND SOCIALISM

As the founder of the American Railroad Workers Union, he was one of the most powerful men in the country. By supporting the Pullman Strike of 1894, he and his men were able to cripple the national economy for weeks, teaching an important lesson to leaders in business and government.

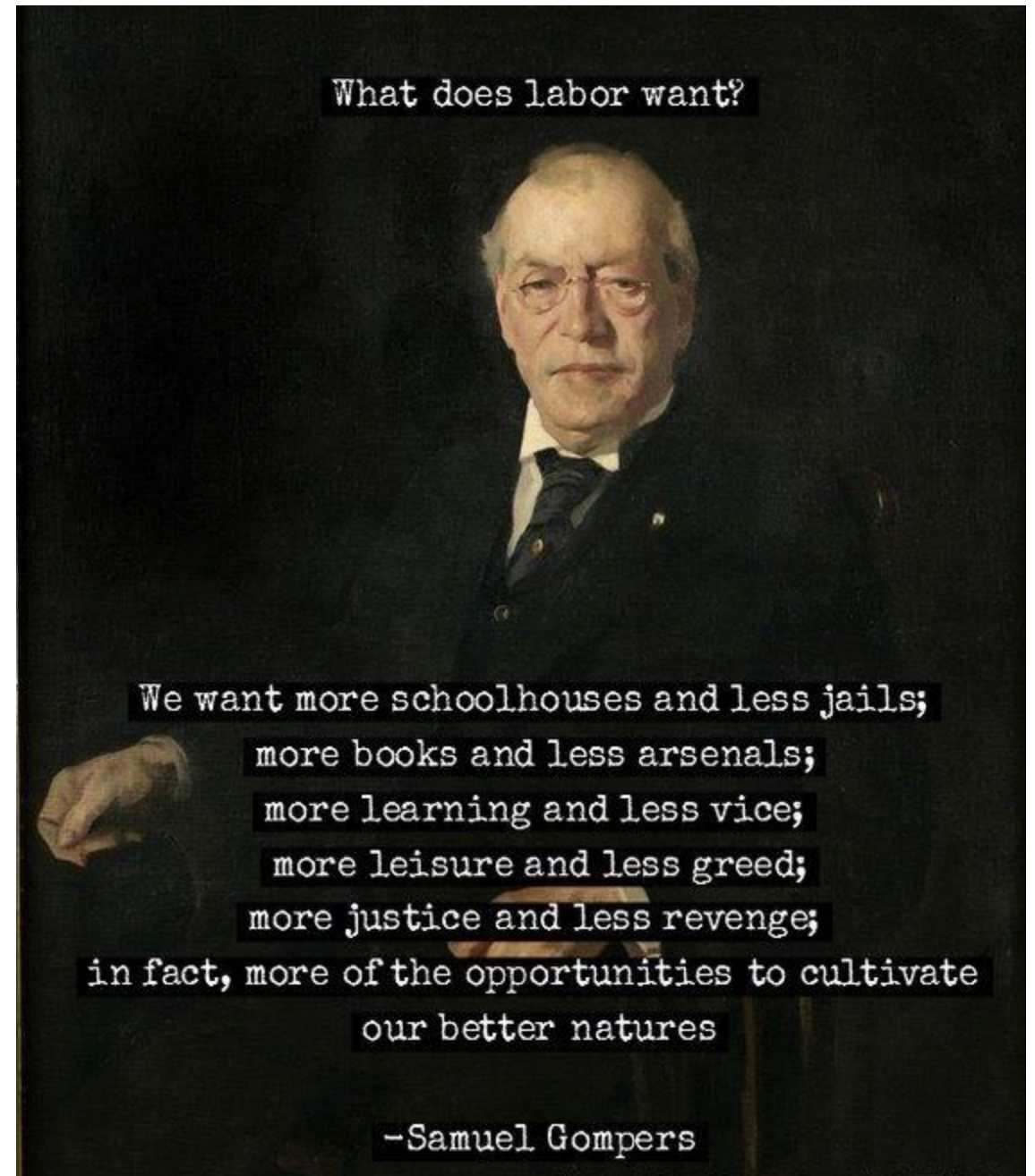
Eugene V. Debs would run for President repeatedly as a Socialist Candidate, winning 5% of the vote in the Election of 1912. He ran for President from prison in 1920, after having been arrested for breaking the Sedition Act during World War I.



SAMUEL GOMPERS

He organized the American Federation of Labor, demanding the 8-hour work day and the right to collective bargaining rights for employees. He thought workers were entitled to eight hours of work, eight hours of sleep, and eight hours for leisure time.

Samuel Gompers started off as a leader of The Cigar Maker's Union. He was so effective at promoting the goals of a middle class union and keeping out radical elements, that the union grew rapidly. In the 1930s it merged with the Congress of Industrial Organizations to form today's AFL-CIO – the largest labor union in the United States of America.



What does labor want?

We want more schoolhouses and less jails;

more books and less arsenals;

more learning and less vice;

more leisure and less greed;

more justice and less revenge;

in fact, more of the opportunities to cultivate

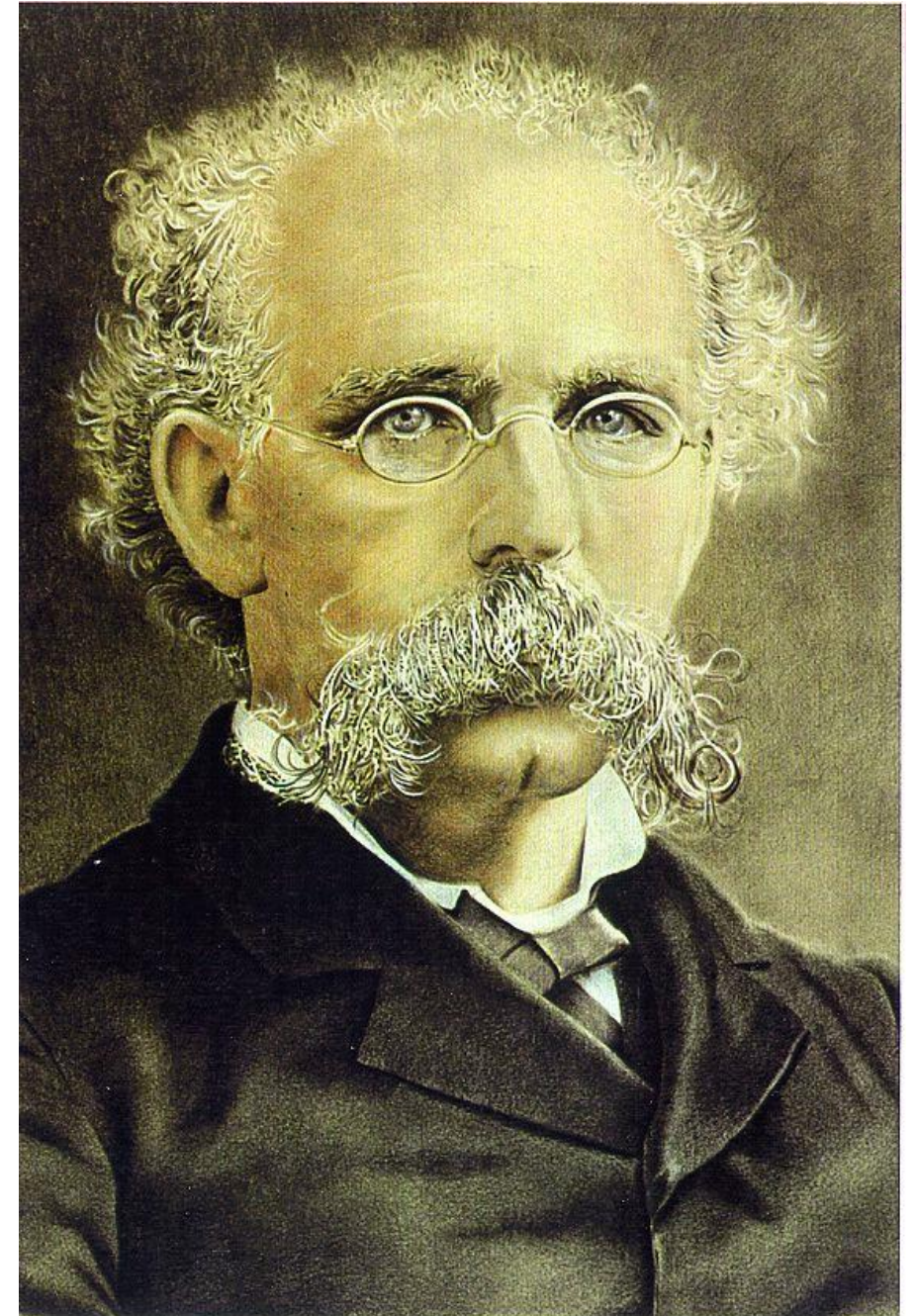
our better natures

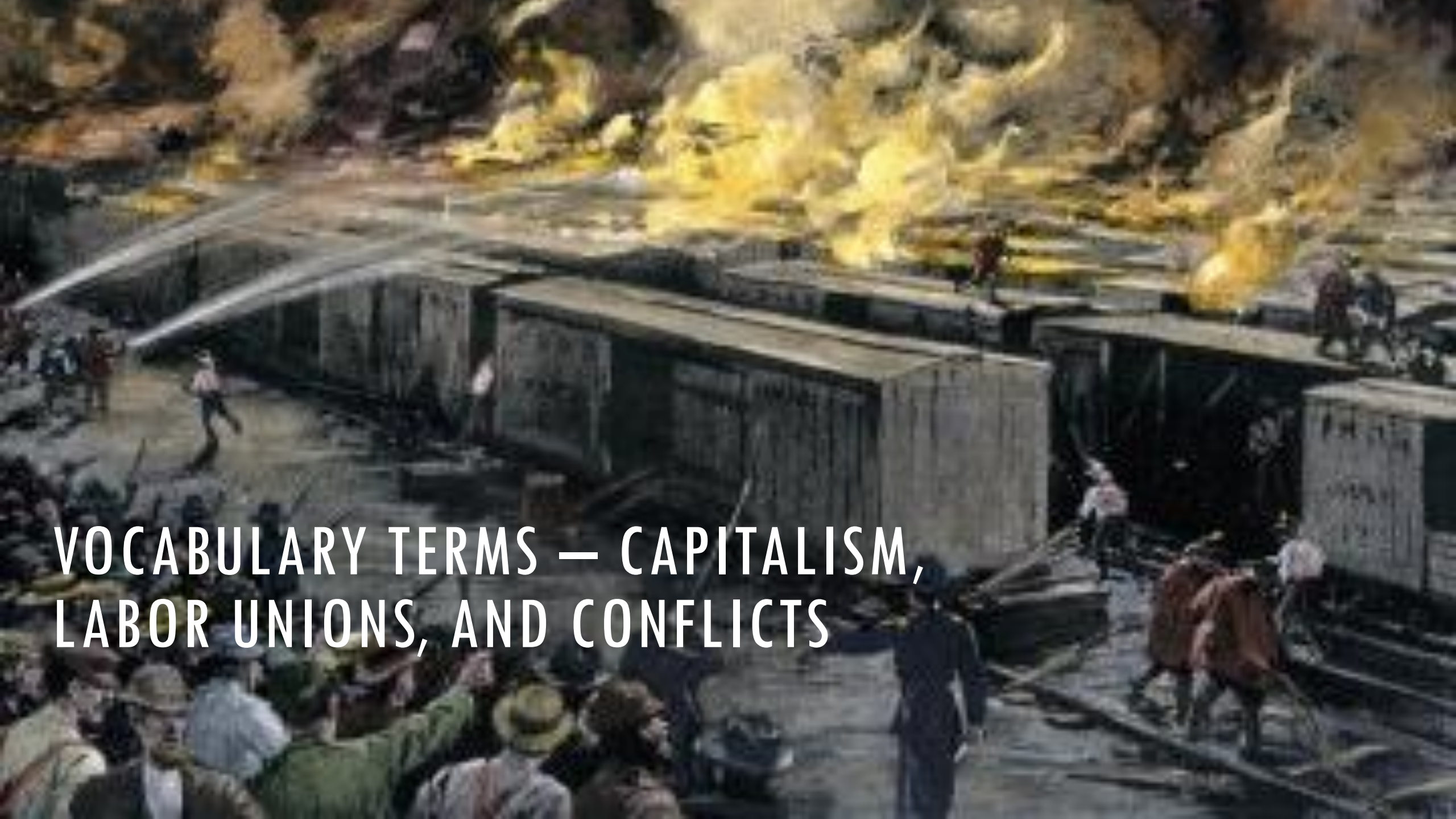
-Samuel Gompers

TERENCE V. POWDERLY AND THE KNIGHTS OF LABOR

Along with Uriah Stephens, he was the co-founder of the first national labor union in the United States of America. The union was open to workers whether they were skilled or unskilled – and it was also open regardless of the race or sex of the workers. The goals of the Knights of Labor were the same as all other unions:

1. Higher Pay.
2. The 8-Hour Work Day.
3. Safer Working Conditions.
4. Better Health Care and Pensions.
5. An End to Child Labor.



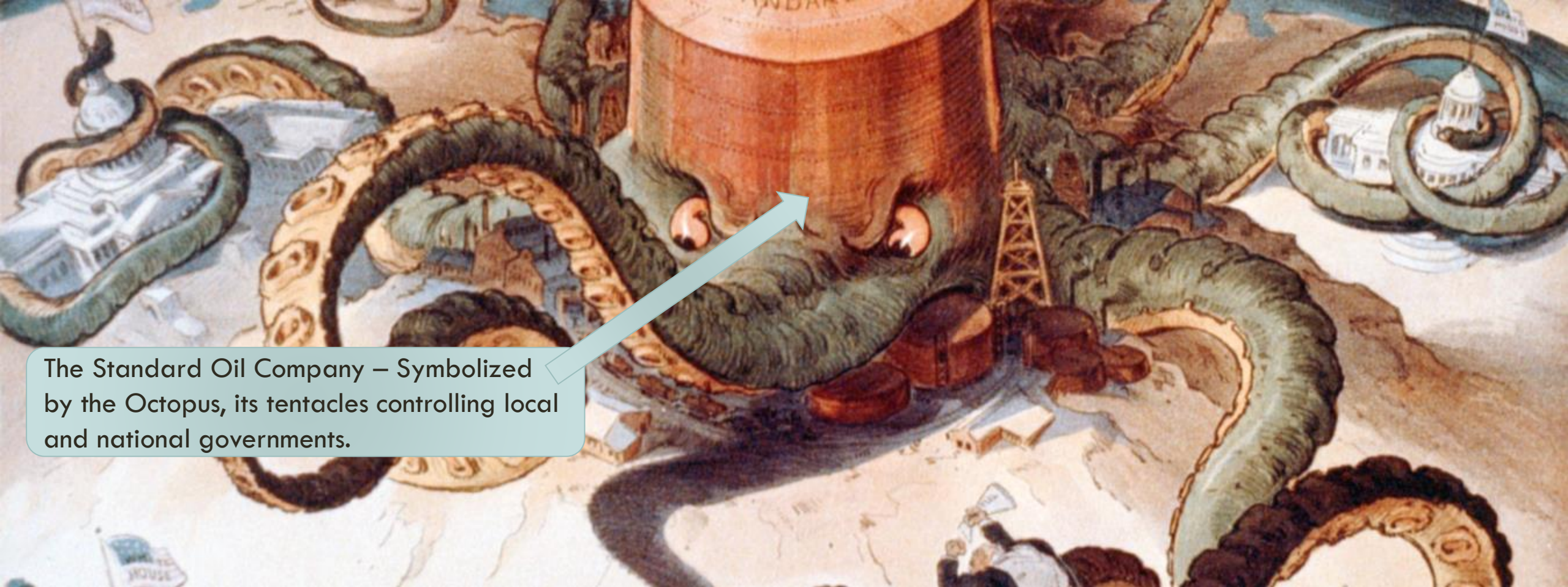


VOCABULARY TERMS — CAPITALISM, LABOR UNIONS, AND CONFLICTS



One company which controls an entire market – giving its owners the power to eliminate competitors and raise prices. Consumers are hurt by the lack of competition in the economy. Today, most monopolies are state-regulated utilities, like Dominion Virginia Power, or artificial and temporary monopolies, like the concession stands at a carnival, sporting event, or movie theater. Just sneak stuff in, people. Its cheaper.

MONOPOLIES



The Standard Oil Company – Symbolized by the Octopus, its tentacles controlling local and national governments.

Trusts are combinations of businesses which work together to eliminate competition and control prices. The most infamous trust in American history is the Standard Oil Trust of the late 19th and Early 20th Centuries. John Rockefeller used the size of his company and the wealth he had already accumulated to prevent smaller businesses from becoming competitors. Standard Oil offered two options: sell ownership of your company and join the trust, or be run out of business.

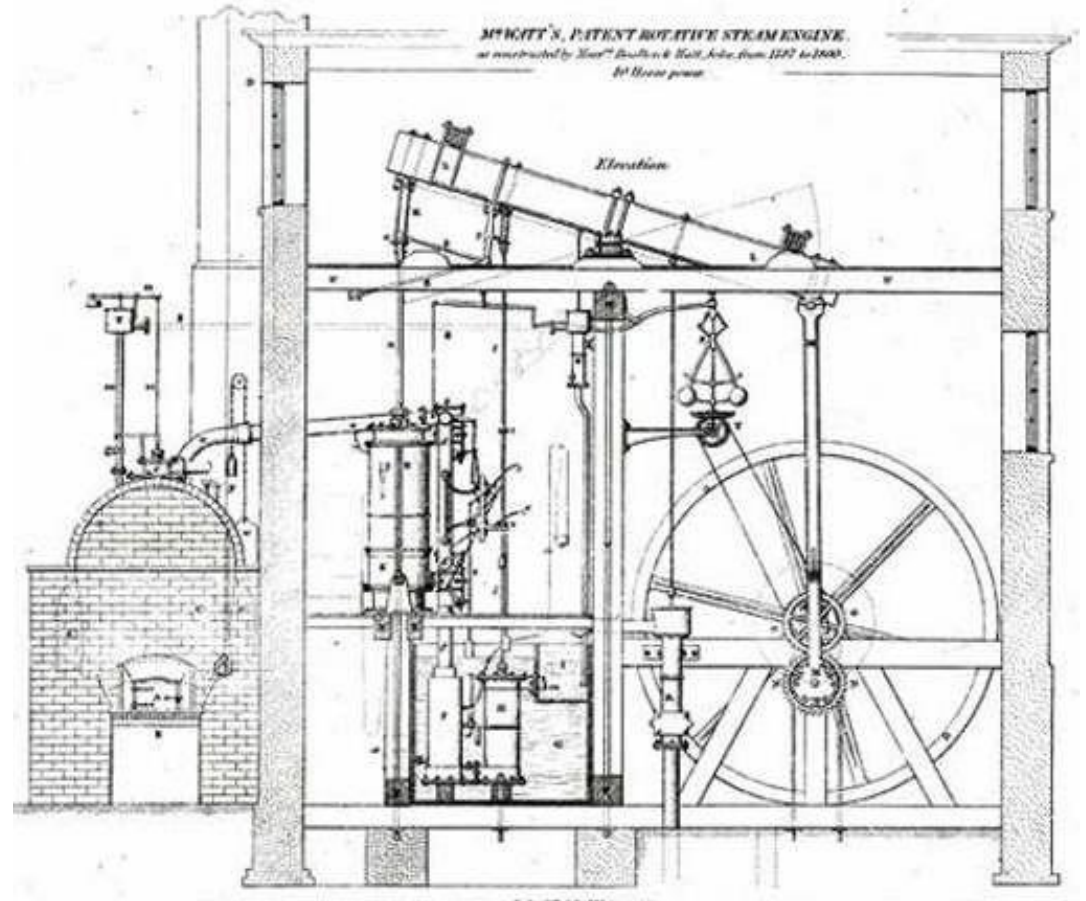
TRUSTS: NO COMPETITION

PATENTS FOR INVENTIONS

Inventors receive one of these when they create something unique and useful to the world; it allows them the exclusive right to manufacture and sell the item they have invented.

Thomas Alva Edison held thousands of patents, and used them to create companies which produced record players (the Edison Phonograph), movie companies, electric companies, and even light bulbs.

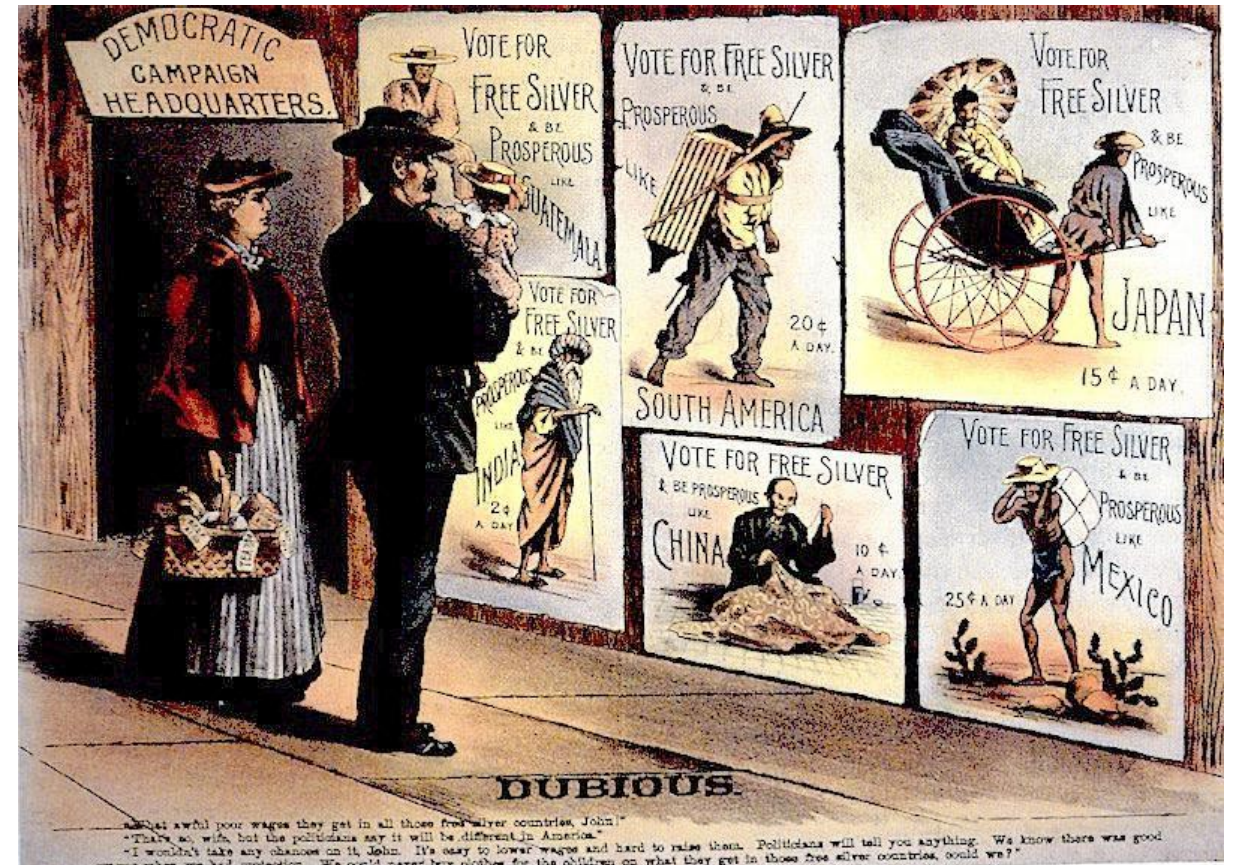
Were it not for the patent, others might have ripped off all of his ideas.



LAISSEZ-FAIRE ECONOMIC POLICIES

This term means that the government keeps a “hands off” approach to the economy. It means that there should be very few laws, rules, or regulations that restrict businesses, because free markets tend to provide for the basic needs of society on their own if left to their own devices.

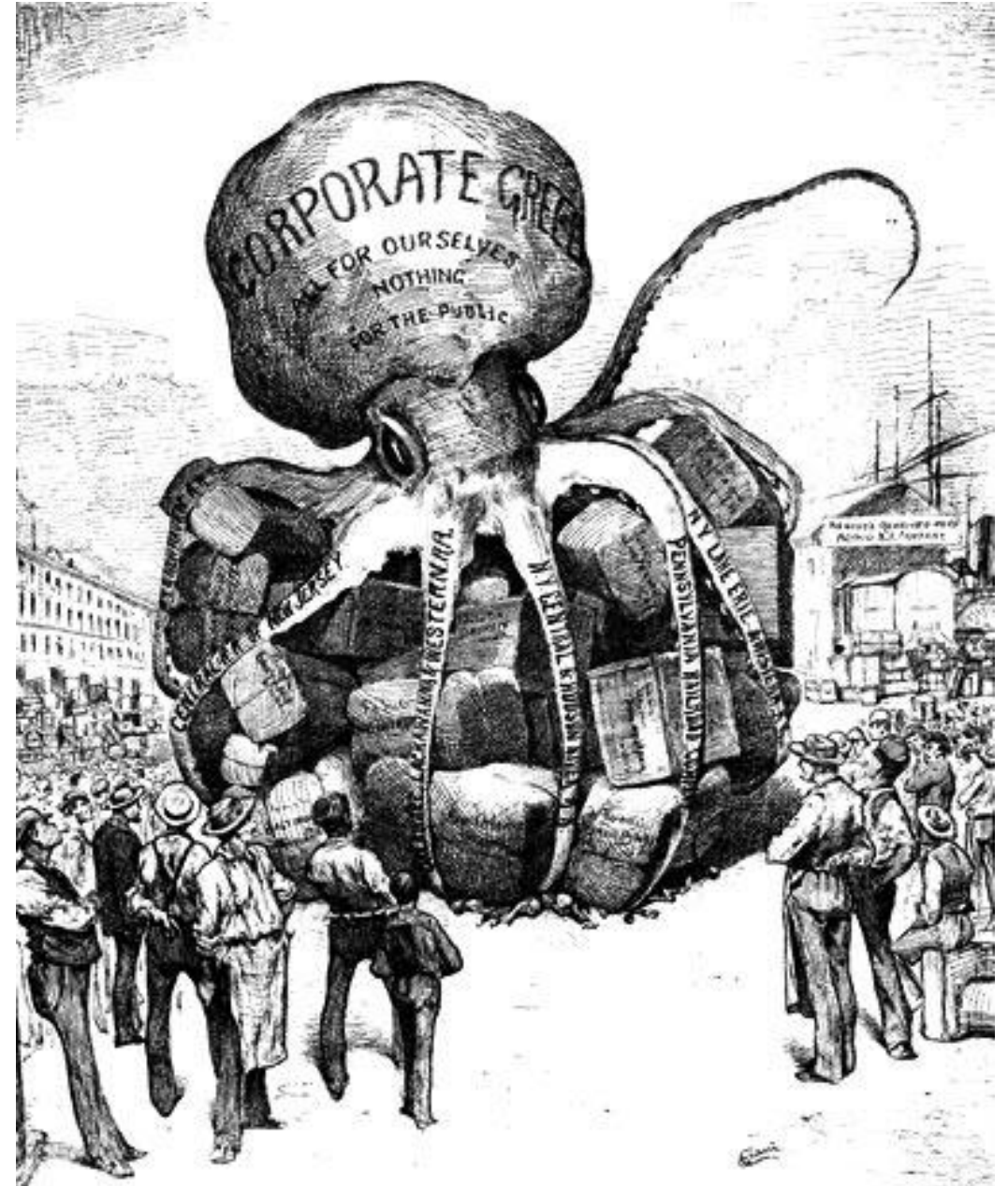
Others might argue that since corporations tend to seek profits in ways that may be harmful to the consumer, the environment, or the very idea of free competition, government regulations are essential to protect the virtues of capitalism.



CORPORATIONS

A company which is owned by shareholders, who purchase stock in the company as an investment. The owners of corporations are not liable for the actions of the company's board of directors. The purpose of the corporation, in part, is to make money for its shareholders.

Many corporations work hard to satisfy their customers, take care of their employees, and make profits for their shareholders, as well. Unfortunately, some corporations pollute the environment, practice unsustainable trade, and put profits above good stewardship of the economy and the environment.



RAILROAD POOLS — ANTI-COMPETITIVE PRACTICES

Railroad companies who united in order to fix prices — similar to trusts, but usually temporary.

Railroad barons often found themselves in self-destructive price competitions with their rivals. In order to prevent these competitions from taking away from their bottom lines, pools were organized informally among rivals. This way, the companies could set prices and split the proceeds — hurting only their consumers: farmers, businessmen, and the traveling customer.



SIT-IN STRIKES: PROTESTS ADAPTED TO THE PERIOD

The first time these types of protests were carried out, an assembly line in Flint, Michigan was completely shut down by the employees there. Members of the Civil Rights Movement would emulate these tactics twenty five years later!

In 1960, in Greensboro, NC, four African-American college students started the sit-in movement by taking seats at a local lunch counter and refusing to give them up until they were served lunch. These young men were known as “The Greensboro Four.” Their names were David Richmond, Franklin McCain, Ezell Blair, and Joseph McNeil.



THE PULLMAN STRIKE OF 1894

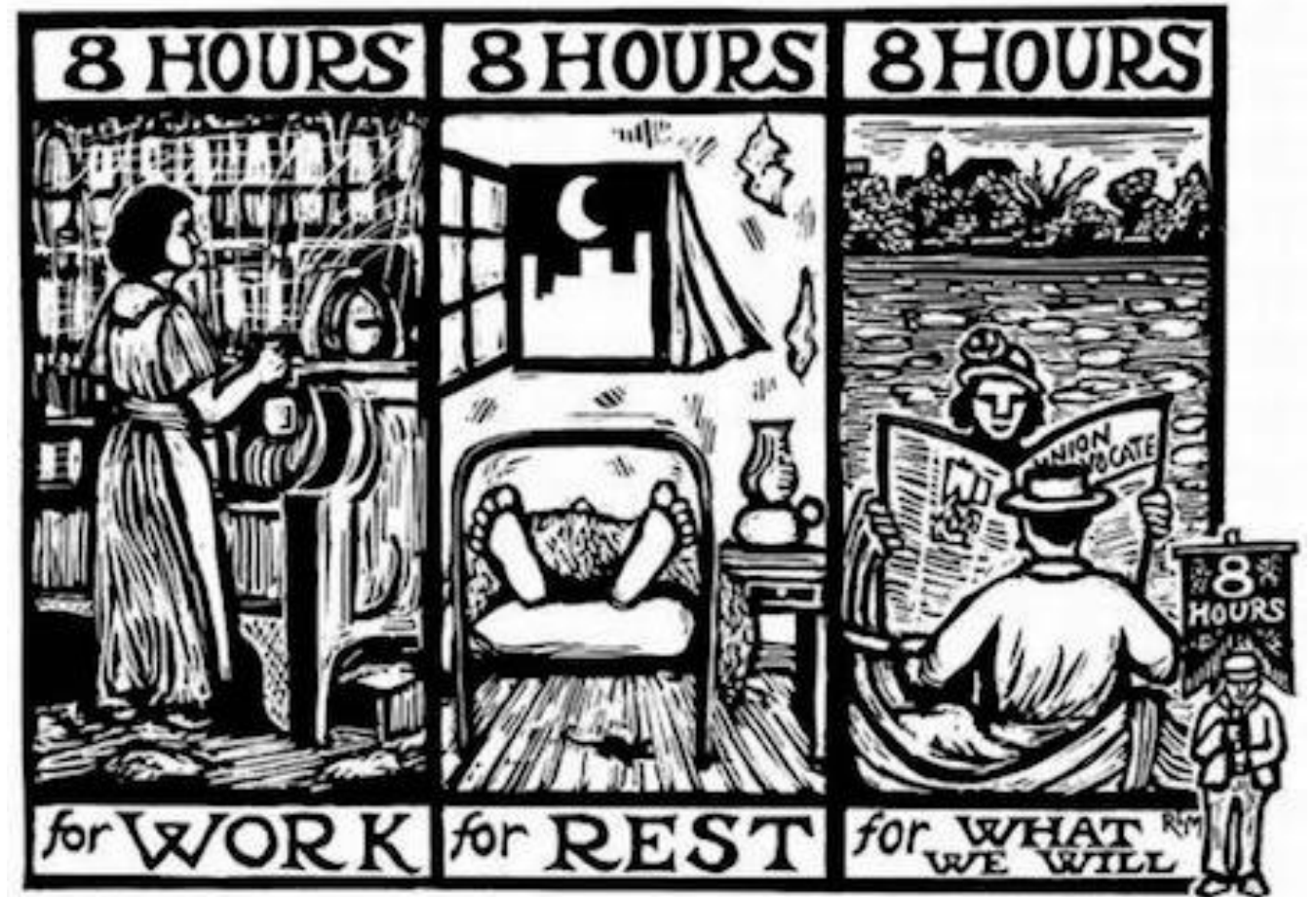
In 1894, George Pullman slashed the wages of his employees during a recession, or “panic.” He slashed their wages, but refused to lower their rents, or the price of goods in his company stores. Seeking to support the employees of Pullman’s small company, the leader of the American Railroad Union, Eugene V. Debs, ordered his workers not to load or unload any train with a Pullman sleeping car or luxury box attached. The result was the paralysis of railroad traffic in America, which crippled the economy for weeks. Eventually, President Grover Cleveland intervened by sending in the US Army. He rationalized his decision by claiming that the US Postal Service must be able to deliver the mail.



THE CONDITION OF THE LABORING MAN AT PULLMAN.

THE AMERICAN FEDERATION OF LABOR (AFL)

In the aftermath of the Haymarket Square Riot, Samuel Gompers founded this union to organize middle class workers. Unlike the Knights of Labor, Gompers permitted only skilled laborers in his union, and he refused to allow radicals of any sort. He demanded higher wages, the eight-hour day, safer working conditions, better health care and pensions for members of the Union, an end to child labor, and the right of collective bargaining for workers.



THE HOMESTEAD STRIKE

When Andrew Carnegie slashed the wages of his employees in 1892, they went on strike to have their wages restored. Carnegie left it to his business manager, Henry Frick, to break the strike. When strikebreakers were brought in violence erupted between striking workers and the men who had come to take their jobs. Eventually, the Pennsylvania State Militia and a group of Pinkerton Agents put down the strike by using violent force, killing dozens of workers.

The steel industry would remain absolutely vital to Andrew Carnegie's hometown, Pittsburgh, Pennsylvania, until the 1980s. Today, although the US Steel Corporation is headquartered there, little production takes place in Pennsylvania.



THE HAYMARKET SQUARE RIOT OF 1886

During this 1886 demonstration to promote a strike among workers of the McCormick Harvesting Company, a group of anarchists lobbed bombs at members of the Chicago Police Department. The death of seven police officers resulted, and the reputation of the Knights of Labor – who had organized the strike, but not been associated with the terrorists – was permanently ruined.

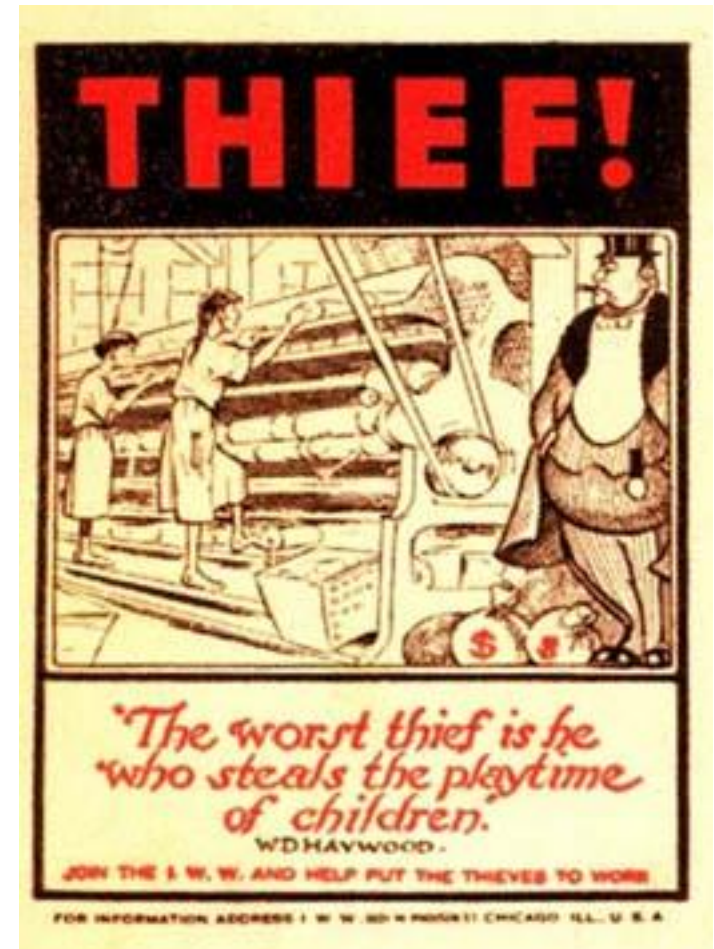


THE INDUSTRIAL WORKERS OF THE WORLD, OR “THE WOBBLIES” (I.W.W.)

Founded by William “Big Bill” Haywood, this was by far the most radical labor union in America. Members of the group were known to attack strikebreakers, sabotage work sites, and promote radical political ideologies like anarchy, socialism, or communism.

Like all unions, the Industrial Workers of the World shared certain goals:

1. Higher Pay
2. The 8-hour Day
3. Safer Working Conditions
4. Health Care, Pensions, and Benefits
5. Ending Child Labor.



THE ANTHRACITE COAL STRIKE OF 1902

President Theodore Roosevelt acted as an arbitrator in order to end this strike in 1902. Although the coal company's owners believed he would side with them, Roosevelt shocked them by insisting that coal miners must be paid a higher wage, and that safety improvements must be put into place for the benefit of the workers.

When Roosevelt made the decision to side with the miners, many Americans were worried that the winter was setting in and there were insufficient supplies of coal to provide heat for the winter months. Most people were shocked that a US President had sided with the workers over the "property owning class."





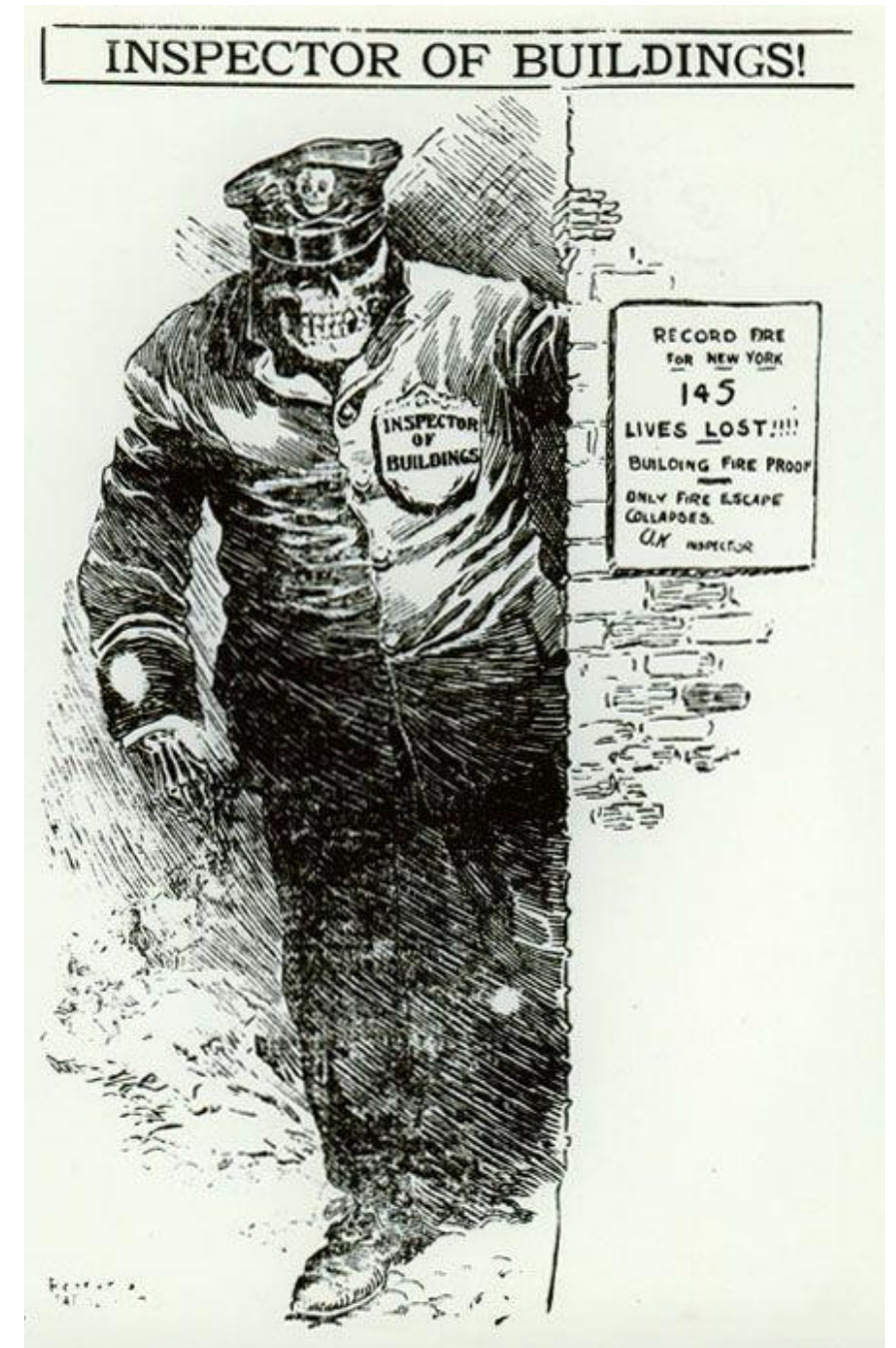
THIS WAS AMERICA'S FIRST LABOR UNION, CREATED BY URIAH STEPHENS AND TERENCE V. POWDERLY IN THE LATE 1860S. THIS UNION WAS OPEN TO ANYONE, REGARDLESS OF THEIR SKILL LEVEL, SEX, OR RACE. ALTHOUGH IT GREW RAPIDLY, IT LACKED THE STRENGTH OF FUTURE UNIONS BECAUSE MEMBERS OF THE GROUP WERE OFTEN EASILY REPLACED BY STRIKEBREAKERS OR "SCABS."

THE KNIGHTS
OF LABOR
EST. 1869

THE TRIANGLE SHIRTWAIST FIRE

A fire which broke out in a sweatshop owned by this company resulted in the deaths of over 150 immigrant women in 1911. The company had literally locked the women into the factory – on the sixth floor of the building in which they labored – to prevent them from stepping outside for fresh air from time to time. The families of the dead received no benefits, but the insurance company provided the owners of the company enough money to rebuild their business with a new factory.

The Triangle Shirtwaist Fire took place in New York City, and within a few weeks, public outrage had resulted in a host of new local fire ordinances which began to offer protection to workers in sweatshops and the residents of crowded tenement buildings.



COLLECTIVE BARGAINING RIGHTS

The right of a company's employees to negotiate for wages, hours, and benefits together rather than as individuals. Individually, most of the employees in a company are replaceable; however, when workers negotiate with their bosses together, they put more pressure on the company to respond to their demands.

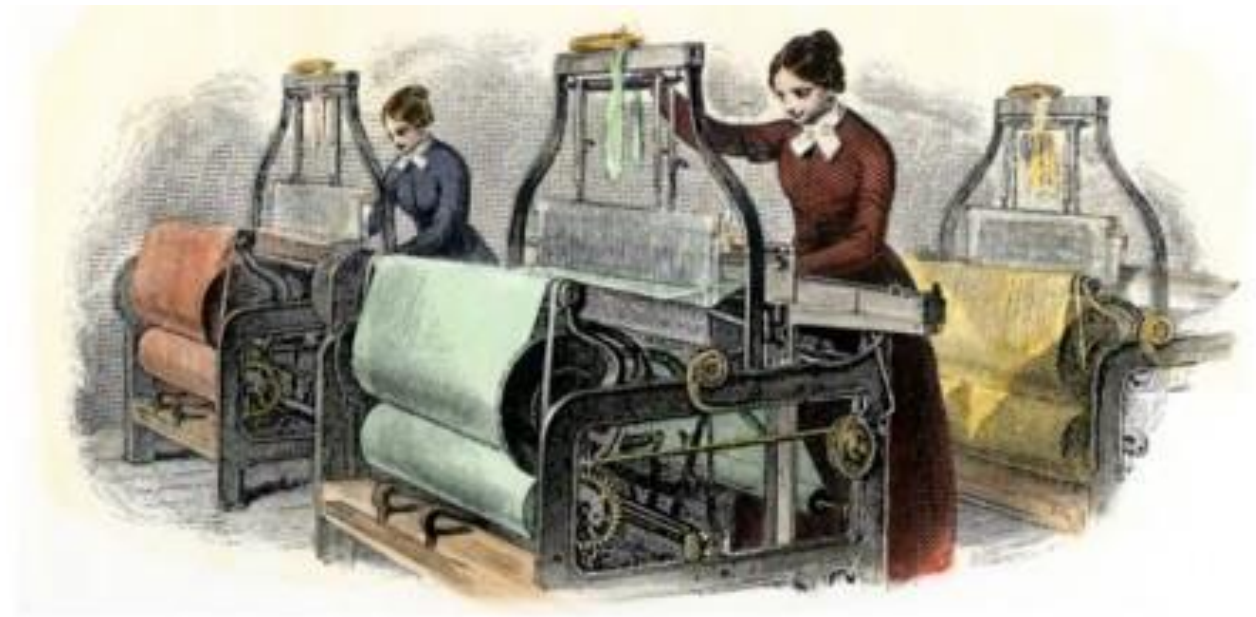
Collective bargaining rights brought many of the gains of the working class during the 19th and early 20th Centuries. Today, the right of public employees to organize into unions is forbidden in states like Virginia and under attack in many other localities.



LOWELL MILLS: AMERICA'S FIRST TEXTILE MILLS

These were the first textile mills to open in the United States of America, and to prove that factories would not create urban poverty, they hired only middle class women, and treated them very similar to students at a boarding school or university dormitories, lectures, and Sunday church services.

Many Americans had worried that if our agricultural economy changed and factories were built, it may lead to urban poverty like that which existed in London, Liverpool, and Newcastle in England.



THE LUDLOW MASSACRE

During this tragic event, members of the Colorado National Guard and the private guards of the Colorado Fuel and Iron Company opened fire upon a group of striking miners, in order to force them away from the mines. John Rockefeller, Jr. — the son of the founder of the oil baron, was attempting to break his employee's strike and bring in "strikebreakers." Over two dozen employees and family members of employees were murdered. Union organizers like Mary "Mother Jones" Harris publicized the tragedy.

